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SUBJECT: UKRAINE: NEW FOREIGN MINISTER YATSENYUK -- A

CHANGE OF STYLE AND GENERATION

REF: STATE 40932

Classified By: Ambassador for reasons 1.4 (b,d).

- 11. (SBU) Summary: Arseniy Yatsenyuk, Ukraine's newest and youngest foreign minister, is extremely bright and, although he has no previous experience at MFA, will pick up the full scope of his new responsibilities quickly. He puts an emphasis on the economic side of his new duties, since he has past experience as Minister of the Economy (September 2005-August 2006) and National Bank Deputy Governor (January 2003-February 2005, Acting Governor from mid-2004 to February 2005). He also acknowledges the importance of European and Euro-Atlantic integration for Ukraine. Yatsenyuk puts an emphasis on winning the support of the Ukrainian public for these strategic goals through a good public relations campaign and focusing on practical and achievable near-term accomplishments that brings Ukraine closer to EU and NATO membership. He has given no indication whether and when he plans to change the MFA top leadership.
- 12. (C) Comment: Yatsenyuk has made the right initial comments on the EU and NATO, but we will have to engage him to ensure he focuses on traditional foreign policy areas that are also of importance to us -- inter alia, Ukraine's regional leadership on Transnistria, its bilateral relations with Belarus, and membership in GUAM. Although he is familiar with a range of USG officials from his time as Minister of the Economy and Acting National Bank Governor, his upcoming visit to Washington will be an opportunity to expand the range of his personal contacts and to underscore the full scope of areas where we look for Ukrainian support and engagement. End summary/comment.

# A Fresh Face at MFA

¶3. (SBU) New Foreign Minister Arseniy Yatsenyuk, appointed and confirmed March 21, described some of his plans to us during a March 29 meeting with Ambassador, a March 30 briefing to the diplomatic corps (G8, EU, NATO, and CIS countries), and an April 2 meeting with CODEL Price. (At the diplomatic corps briefing, Ambassador also transmitted the Secretary's congratulatory message contained reftel.)

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Thirty-two years young, sporting a crew cut, slim, on the tall side, and fluent in English, Yatsenyuk looked as if he could have just strolled off of a collegiate basketball court and donned a business suit. His self-confidence came through in his relaxed manner and easy laughter. In greeting CODEL Price, Yatsenyuk welcomed the members to a democracy "with a certain political tension," and, when Representative Price offered his congratulations for his easy confirmation, Yatsenyuk wryly joked that perhaps Price should offer

# Straddling Two Camps...but the President's man

- 14. (SBU) Yatsenyuk told CODEL Price his surprisingly easy confirmation (426 MPs from a total of 450, with 432 actually present, voted in favor) had occurred because his nomination had been a satisfactory solution for all the parties concerned the President, Prime Minister, and parliamentary coalition after repeated showdowns over the previous nominee. At the time of his nomination, he served as a Presidential Secretariat Deputy Chief of Staff, but he had also worked with Prime Minister Yanukovych in 2004 as acting National Bank governor. President Yushchenko was comfortable with his approach to European and Euro-Atlantic integration, including acceleration of Ukraine's movement toward NATO, but, at the same time, he had no binding obligations either to the parliamentary coalition or to the opposition. His only obligation, Yatsenyuk intoned, was to the Ukrainian nation.
- 15. (SBU) Yatsenyuk said that, under the Vienna Convention, the heads of state and government and the foreign minister represent the nation. According to the Ukrainian constitution, the president steers the direction of foreign policy, the prime minister executes it, and the foreign minister had to be a diplomat. He was a diplomat not just to a foreign audience but also within the government. He was under the president, but had to do his best to cooperate with the government. At times, he had to convince Yanukovych to change his position; rarely, he had the same task with Yushchenko, but Yushchenko was "always oriented in the right direction."
- $\underline{\$}6.$  (C) Note: Diplomatic modesties aside, in the KYIV 00000924 002 OF 003

constitutional crisis which emerged after President Yushchenko signed an April 2 decree dismissing the Rada and calling new elections, Yatsenyuk squarely sided with Yushchenko. In the emergency Cabinet meeting convened by Yanukovych after Yushchenko announced the decree, only Yatsenyuk and Defense Minister Hrytsenko, the other Yushchenko nominee, defended the decree's legality and voted against the Cabinet resolutions attempting to prevent its implementation. Yatsenyuk voted for the Yushchenko position in the National Security and Defense Council meeting April 4, talked of the MFA's responsibility for ensuring Embassies prepared overseas polling stations, supported Yushchenko's initial position that international mediation was not necessary, and stood in for Yushchenko in an April 11 visit to Strasbourg to engage European institutional representatives on why the dismissal decree and new elections were necessary.

# Policy Priorities

17. (U) Not surprisingly for a former Economy Minister and deputy National Bank director, Yatsenyuk defined economic goals, such as obtaining a free trade agreement with the EU, as one of his top two priorities during his briefing to the diplomatic corps. His second priority would be protecting the rights of every Ukrainian abroad, including facilitating their ability to travel. During his meeting with CODEL Price, Yatsenyuk vented over a 126-page USTR response on Ukraine's preparations to enter the WTO. Ambassador pointed out the length of the response represented the USG's seriousness in bringing the accession to completion. Yatsenyuk understood that USTR was trying to provide accurate and detailed input, but he questioned whether the time required to respond to every issue that USTR had raised might not become an obstacle in and of itself to Ukraine's WTO accession process. (Comment: Ukraine's negotiators do not seem to share his view.) He definitely planned to meet with

USTR Schwab during his Washington visit to discuss this.

### NATO and EU

- 18. (C) Yatsenyuk is not only Ukraine's youngest foreign minister ever, but, since he graduated from Chernivtsi State University in 1996, he is one of the emerging generation of Ukrainian leaders who have spent their entire working career in independent Ukraine. Thus, he has developed his professional approach and skills in a country with open borders, access to western media, and a market economy. different orientation that he has from his older predecessor, Borys Tarasyuk, is evident with regard to Ukraine's European and Euro-Atlantic integration. Yatsenyuk is less ideological and more pragmatic in his approach, stressing that Ukraine should work on the practical implementation of the steps that would bring it closer to the EU and NATO, without too much emphasis on terminology. (Note: Despite Yatsenyuk's remarks, EU EC Charge Dirk Schuebel said the Ukrainian side was still pushing for adoption of the term "association" during EU-Ukraine negotiations on the "New Enhanced Agreement.")
- 19. (C) In his meetings, Yatsenyuk also stressed the importance of a PR and media campaign with respect to possible EU and NATO membership, noting, for example, that too few Ukrainians understood that the NATO-Ukraine action plan dealt more with such areas as democratic and social reform and not military reform. In his March 29 meeting with Ambassador (before the current political crisis began), Yatsenyuk said the planned July 9 NATO North Atlantic Council (NAC) ambassadors' visit to Kyiv to mark the 10th anniversary of the NATO-Ukraine relationship would be a real opportunity to present a positive NATO image. (Comment: Yatsenyuk has a history of using public diplomacy well. While acting governor of the National Bank, Yatsenyuk dealt with a threatened run on the banks by successfully combining temporary restrictions with a public information campaign.) He also mentioned that Ukraine needed to find an EU "old Europe" member to act as a champion within the EU for Ukraine's membership, as Poland was among the "new Europe" members.

# Russia Relations

110. (C) The fact that Yatsenyuk elected to visit Brussels first, rather than Moscow as is traditional for Ukrainian leaders, was clear evidence of his orientation. A Foreign Ministry working level contact noted that Yatsenyuk had said

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his first overseas trips would be to Brussels, Washington, and Moscow. Yatsenyuk had planned to visit Moscow in conjunction with President Yushchenko's April visit, but the trip was postponed when Yushchenko had to cancel because of the political crisis. In responding to a CODEL Price question on Ukraine's future relations with Russia and the EU, Yatsenyuk addressed Russia in two sentences, describing it as an important neighbor that could not be ignored, and then devoted most of his answer to EU relations. Yatsenyuk, drawing on his Economic Ministry experience, did address Ukraine's involvement in the Single Economic Space (SES), noting that Ukraine had urged the adoption of two agreements within the SES context on energy transit facilities and buying and selling of oil and gas. SES discussions had been in abeyance, but Yatsenyuk was ready to push the two proposals should discussions resume. The key to dealing with Russia, and every other country, Yatsenyuk noted, was a stable domestic situation in Ukraine.

MFA Personnel Shuffles -- None Yet

had been made regarding a change in MFA's senior leadership. Yatsenyuk was interviewing MFA senior officials and would make a decision fairly soon on whether to retain them or bring in new faces. (Note: One first deputy foreign minister position is currently vacant after the previous incumbent, Anton Buteyko, suffered a stroke in 2006.)

### Personal Details

112. (U) A March 29, 2007, article in Kyiv daily, Segodnya, reported that Yatsenyuk's father, Petro Yatsenyuk, is an assistant professor of history at Chernivtsi University, and his mother, Mariya, teaches French at the same university. He has one sister, Alina, who is seven years older, married to an American, and lives in Santa Barbara, California. Yatsenyuk's wife, Tereza, whom he met when both worked at Aval bank, is four years his senior. They have two daughters, seven-year-old Khrystyna and two-year-old Sofiya. Yatsenyuk's mother comes from Kolumiya, Ivano-Frankivsk oblast, a center of the Carpathian Hutsul ethnic subgroup; Yatsenyuk collects Hutsul handicrafts.

113. (U) Visit Embassy Kyiv's classified website: www.state.sgov.gov/p/eur/kiev.
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